

California Gambling Control Commission
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Thursday, September 28, 2004

MINUTES OF SEPTEMBER 28, 2004
COMMISSION MEETING

OPEN SESSION

Chairman Shelton called the meeting of September 28, 2004, to order at 1:30 p.m., with Commissioners Palmer, Sasaki and Smith present.

Staff Participating: Gary Qualset, Deputy Director, Licensing and Compliance Division, and Herb Bolz, Senior Legal Counsel and Regulations Coordinator, and Heather Hoganson, Staff Counsel.

DECISION ITEMS

1. Applications for Work Permit:
 - a. Empire Sportsmen Association:
 - i. Griffith, Nicole
 - ii. Luangrath, Pamela
 - b. Gold Rush Gaming Parlor:
Lee, Ella
 - c. Outlaws Card Parlour:
York, Roger
 - d. Sonoma Joes:
Lei, Xie

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the applications for a work permit for Items 1.a.i. Nicole Griffith, ii Pamela Luangrath, 1.b. Ella Lee, 1.c. Roger York, and 1.d. Xie Lei. Upon motion of Commissioner Palmer, seconded by Commissioner Sasaki and unanimously adopted with Chairman Shelton and Commissioners Palmer, Sasaki, and Smith voting yes, the Commission approved the applications for a work permit for Items 1.a.i. Nicole Griffith, ii Pamela Luangrath, 1.b. Ella Lee, 1.c. Roger York, and 1.d. Xie Lei.

2. Applications for Key Employee License:

- a. Bay 101:
 - i. Werner, Ronald
- b. Hawaiian Gardens Casino:
 - i. Dever, Glenard
 - ii. Grande, Jr., Sammy
 - iii. Moskowitz, David
 - iv. Roberts, John
 - v. Stephens, Gail
 - vi. Watts, Carla
 - vii. Wright, Jenifer

Deputy Director Qualset indicated staff recommends that the Commission table Items 2.a.i. Ronald Werner, and 2.b.ii. Sammy Grande, Jr. Upon motion of Commissioner Smith, seconded by Commissioner Sasaki and unanimously carried with Chairman Shelton and Commissioners Palmer, Sasaki, and Smith voting yes, the Commission tabled Items 2.a.i. Ronald Werner, and 2.b.ii. Sammy Grande, Jr.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the applications for a key employee license for Items 2.a.i. Glenard Dever, iii. David Moskowitz, iv. John Roberts, v. Gail Stephens, vi. Carla Watts, and vii. Jenifer Wright. Upon motion of Chairman Shelton, seconded by Commissioner Palmer and unanimously carried with Chairman Shelton and Commissioners Palmer, Sasaki, and Smith voting yes the Commission approved the applications for a key employee license for Items 2.a.i. Glenard Dever, iii. David Moskowitz, iv. John Roberts, v. Gail Stephens, vi. Carla Watts, and vii. Jenifer Wright.

3. Applications for Renewal of State Gambling License:

- a. Bay101: Sutter's Place, Incorporated - Corporation
- b. Diamond Jim's Casino: Wizard Gaming, Incorporated – Corporation
- c. Garden City Casino: Garden City, Incorporated – Corporation
- d. Hemphill's Card Room: Billy L. Long – Sole Proprietor
- e. Klondike Casino: Leonard Marquez – Sole Proprietor
- f. Lake Bowl Cardroom: Waldemar Dreher – Sole Proprietor
- g. Palomar Card Club: Robert L. Cloper, Donald M. Staats and Susan L. Staats – General Partnership
- h. Phillipine Gardens: Michael Romero – Sole Proprietor
- i. The Nineteenth Hole: Stephen E. Scudero, Edward C. Beaudin and Larry J. Merlini – General Partnership

Deputy Director Qualset indicated that Commission staff recommend that the Commission approve a continuance of the temporary conditional license through December 31, 2004, for Item 3.a. Bay 101. Deputy Director Qualset further indicated that the following condition would be placed on the license:

The corporate owner licensee of the gambling establishment and Ronald Werner acknowledges that he is not a qualified holder of a State Gambling License as a shareholder, as previously endorsed on the license that was issued to the owner of the gambling establishment, and that he will not be recognized as such unless an approval is subsequently granted as such by the California Gambling Control Commission.

Upon motion of Commissioner Sasaki, seconded by Commissioner Smith and unanimously adopted with Chairman Shelton and Commissioners Palmer, Sasaki, and Smith voting yes, the Commission adopted the staff recommendation.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the applications for renewal of a state gambling license for Items 3.b. Diamond Jim's Casino, 3.c. Garden City Casino, 3.d. Hemphill's Card Room, 3.e. Klondike Casino, 3.f. Lake Bowl Cardroom, 3.g. Palomar Card Club, 3.h. Phillipine Gardens, and 3.i. The Nineteenth Hole. Upon motion of Commissioner Sasaki, seconded by Chairman Shelton and unanimously carried with Chairman Shelton and Commissioners Palmer, Sasaki, and Smith voting yes the Commission approved the applications for renewal of a state gambling license for Items 3.b. Diamond Jim's Casino, 3.c. Garden City Casino, 3.d. Hemphill's Card Room, 3.e. Klondike Casino, 3.f. Lake Bowl Cardroom, 3.g. Palomar Card Club, 3.h. Phillipine Gardens, and 3.i. The Nineteenth Hole.

4. Commission Gaming Device License Draw Policy and Procedures per Compact Section 4.3.2.2(a)(3).

Deputy Director Qualset presented for the Commission's consideration the Commission's Gaming Device License Draw Policy, indicating the purpose of the policy was to establish guidelines for the conduct of gaming device license draws in accordance with the Tribal-State Gaming Compact of 1999, section 4.3.2.2(a)(1) and to ensure that the license pre-payment fees are received in accordance with Compact

section 4.3.2.2(e).

Commissioner Sasaki moved to adopt the Gaming Device License Draw Policy, Commissioner Smith seconded the motion.

Bob Cloud, Paskenta Band of Nomlaki Indians, commented in objection to the draw priority process, indicating the number of times that a tribe has participated in a license draw should be considered by the Commission when making a determination on priority status for tribes participating in a Gaming Device License Draw.

The motion made by Commissioner Sasaki and seconded by Commissioner Smith unanimously carried in the call for a vote with Chairman Shelton and Commissioners Palmer, Sasaki, and Smith voting yes. A copy of the Commission Gaming Device License Draw Policy and Procedures per Compact Section 4.3.2.2(a)(3) is incorporated into the minutes as Attachment A.

5. Final Adoption of Regulations Concerning Emergency Preparedness and Evacuation Plans for Cardrooms.

Staff Counsel Hoganson presented staff's recommendation that the Commission adopt the proposed permanent regulations concerning Emergency Preparedness and Evacuation Plans for Cardrooms (Title 4 California Code of Regulations sections 12360 and 12370). The text was unchanged from the version approved for 15-day public comment on August 24, 2004, as there were no public comments and no further input from staff.

Terri Sue Canale of the Division of Gambling Control spoke in support of the adoption of the proposed permanent regulations concerning Emergency Preparedness and Evacuation Plans for Cardrooms.

A motion made by Commissioner Sasaki and seconded by Chairman Shelton to approve proposed permanent regulations concerning Emergency Preparedness and Evacuation Plans for Cardrooms for filing with the Office of Administrative Law unanimously carried in the call for a vote with Chairman Shelton and Commissioners Palmer, Sasaki, and Smith voting yes. A copy of the regulation as adopted by the Commission is incorporated into the minutes as Attachment B.

6. Second 15-Day Change to Permanent Proposition Player and Gambling Business Regulations (Current Title 4 California Code of Regulations Sections 12200-12237).

Senior Legal Counsel and Regulations Corodinator Bolz presented an oral report to the Commission on the status of the proposed permanent regulation: Proposition Player and Gambling Business Regulations. Mr. Bolz indicated that the draft regulation being presented included amendments resulting from comments received on the first draft of the second 15-day change of the regulation that was posted on the Commission's website. Mr. Bolz further indicated that a second draft on the second 15-day change would be sent to the individuals on the rulemaking list on September 29, 2004, and the deadline to receive comments on the draft would be October 14, 2004. There was no action taken by the Commission on Item 6. A copy of the draft regulation as presented and the Division's forms are incorporated into the minutes as Attachment C and Attachment D respectively.

CONSENT CALENDAR ITEMS:

1. Application for Renewal of Work Permit:
 - a. *Caesar's Club:*
Melboza-Ramirez, Abel

Deputy Director Qualset presented the Consent Calendar to the Commission for its consideration of the application for renewal of a work permit. Upon motion of Chairman Shelton, seconded by Commissioner Smith and unanimously carried with Chairman Shelton and Commissioners Palmer, Sasaki and Smith voting yes, the Commission approved the Consent Calendar.

PUBLIC COMMENT:

There were no comments from the public during this portion of the meeting.

CLOSED SESSION:

Chairman Shelton announced that the Commission would adjourn to Closed Session. At 2:23 p.m. the Commission adjourned to Closed Session.

Chairman Shelton reconvened the meeting at 3:10 p.m. with Commissioners Palmer, Sasaki, and Smith present.

1. Commissioner Comments.

There were no comments from the Commissioners during this portion of the meeting.

ADJOURNMENT:

Upon motion to adjourn by Commissioner Sasaki, seconded by Chairman Shelton and unanimously carried with Chairman Shelton and Commissioners Palmer and Sasaki voting yes; the Commission meeting adjourned at 3:12 p.m.